



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Robert L. Morgan
State Engineer

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9 July 2002

Mr. Dave Humphreys, Utah Hydro Production Manager
PacifiCorp / Utah Power
Fax No.: 801-393-8918

RE: DISTRIBUTION ORDER ON SANTA CLARA RIVER SYSTEM

Dear Dave:

I have been in communication with Mr. Rod Leavitt, the duly appointed Distribution Commissioner on the Santa Clara River System. On the basis of Mr. Leavitt's observations, including the measurements of flows at various locations on the system, it is my opinion that Mr. Leavitt is fully justified in determining that diversions into the PacifiCorp canal below the Veyo hydro-power plant should be terminated.

It is currently my understanding that there is insufficient flow to operate either the Sand Cove or the Gunlock plants (or they are not being operated for other reasons) and that PacifiCorp's desire to continue diversions into this portion of the system is largely motivated by the following factors:

1. To maintain a minimal water level in the Upper Sand Cove Reservoir and preserve the associated fishery and recreational opportunities;
2. To minimize the effects of thermal expansion on the steel transmission pipeline between the Upper Sand Cove Reservoir and the Sand Cove hydro-power plant; and
3. To maintain some level of saturation in the earthen portions of the canal so as to minimize the channel losses when the channel is placed into use at a future date.

While each of these considerations certainly has merit, it is my opinion that none of them is of sufficient weight to override the more beneficial uses of water which may be made under established rights that will be served by leaving the water in the Santa Clara River channel. It is recognized that there will be channel losses experienced from that option as well, but it is Mr. Leavitt's opinion – based on extensive experience with the system – that those losses will be significantly less than the losses that will result from leaving the water in the PacifiCorp hydro-power system.

Under Mr. Leavitt's direction, sufficient water shall continue to be diverted into canal below the Veyo plant to serve rights taken from that ditch, principally the right of the Veyo Irrigation Company. PacifiCorp shall have no responsibility nor liability regarding the delivery of those rights, other than to cooperate with the Commissioner in the enabling the use of the shared canal and diversion works.

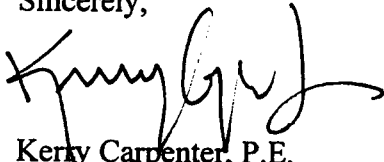
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I sincerely regret the unfortunate consequences that are likely to result from this decision, but in the season of extreme and extended drought, it appears that such are unavoidable. We are all simply trying to make the best use we can of the increasingly scarce water resource and to assure that those with the established and prior rights to the water will receive the full available benefit of those rights.

I ask that you please relay this information to Mr. Larry Staheli, your local agent on the Santa Clara System so that he may be aware of this decision. I will make sure that Mr. Leavitt is likewise advised.

If you have questions or believe that additional information should be considered, please contact me at your earliest opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kerky Carpenter', with a stylized flourish at the end.

Kerky Carpenter, P.E.
Region Engineer

pc: Mr. Rodney Leavitt, Distribution Commissioner (By Fax to 435-574-3704)
Mr. Lee Sim, P.E. , Assistant State Engineer - Distribution